

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 ABF-01 DODE-00 OMB-01 /015 W
-----091486 301248Z /53

R 290927Z JUN 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 9204
INFO CINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA

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E.O. 11652: N/A
TAGS: MARR, JA, US
SUBJECT: GAO REPORT RECOMMENDS DOD CHANGE JAPANESE
NATIONAL PAY PRACTICES

REF: (A) STATE 146689 DTG 091609Z JUN 78, (B) COMUSJAPAN
260121Z JUN 78

1. EMBASSY IS IN FUNDAMENTAL AGREEMENT WITH REF B. MOST OF INFORMATION IN REPORT STRIKES US AS ACCURATE, DERIVING IN LARGE PART FROM MATERIAL ASSEMBLED BY USFJ IN THE COURSE OF 1976 LABOR-COST STUDY. THIS, TOGETHER WITH THE MOST SIGNIFICANT PRESENTATIONS MADE DURING SUBSEQUENT NEGOTIATIONS LEADING TO DECEMBER 1977 COST-SHARING AGREEMENT, WAS MADE AVAILABLE TO GAO TEAM. IN OTHER WORDS, REPORT'S RECOMMENDATIONS IN EFFECT ADUMBRATE ARGUMENTATION WE HAVE BEEN ADVANCING WITH GOJ. WE HAVE POINTED OUT, FOR EXAMPLE, THAT USFJ PAY PRACTICES PROVIDE GREATER COMPENSATION TO ITS EMPLOYEES THAN NATIONAL PUBLIC SERVICE (NPS) MODEL. REGARDLESS OF INTUITIVE JUDGMENTS CONCERNING RELATIVE ATTRACTIVENESS OF USFJ AND GOJ AS EMPLOYEES, FORMER HAS DETERMINED IT DOES NOT NEED EXTRA INCENTIVES SUCH AS 10 PERCENT USFJ DIFFERENTIAL, LANGUAGE ALLOWANCE, GENEROUS PREMIUM PAY

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FORMULA, WAGE SCHEDULES BASED ON 44-HOUR WEEK FOR 40 HOURS OF WORK, AND CURRENT SEPARATION PAY PLAN TO RECRUIT AND RETAIN COMPETENT LOCAL STAFF.

2. WHILE GOJ DID NOT REFUTE ANY OF THIS ARGUMENTATION HEAD-ON, IT TOOK POSITION THAT IT COULD NOT ASSUME LABOR-COSTS IN DIFFERENTIAL CATEGORIES BECAUSE OF SOFA INTER-

PRETATIONS AND PRIOR POLICY POSITIONS TAKEN IN DIET. GAO TEAM WAS AWARE OF GOJ POSITION AND EMBASSY-USFJ EFFORTS TO OVERCOME IT. WE AGREE WITH GAO, HOWEVER, THAT THERE IS NO REASON TO GIVE UP, AND HAVE IN SUBSEQUENT COST-SHARING DISCUSSIONS CONTINUED TO NOTE THAT EVEN IF THIS IS YEAR OF LABOR-COST TRUCE, WE REGARD SUBJECTS AS OPEN TO FUTURE DISCUSSION.

3. GOJ, IN TURN, HAS ACCEPTED OUR POSITION, AND INDEED ON OWN INITIATIVE HAS BEGUN TO EXPLORE HOW ADDITIONAL LABOR-COST RELIEF MIGHT BE COMBINED WITH FURTHER ASSISTANCE IN FACILITIES AREA, WHERE IT FINDS SOFA INTERPRETATIONS MORE MANAGEABLE. JUST PRIOR TO PUBLICATION OF GAO REPORT, WE WERE PLEASED TO FIND MOFA AND DFAA ENGAGED IN TENTATIVE EXPLORATION OF POSSIBILITY OF ASSUMING COSTS OVER AND ABOVE STANDARD FOR EQUIVALENT GOJ EMPLOYEES, EVEN THOUGH IT COULD NOT TAKE ON ADDITIONAL CATEGORIES OF LABOR EXPENSES AS SUCH. THIS IS VERY CLOSE TO WHAT WE AND GAO HAVE BEEN URGING. IT IS TOO SOON TO KNOW HOW FAR PROPOSALS ALONG THESE LINES WILL GET, BUT ISSUE IS AT LEAST OPEN. TIMING OF GAO REPORT SERVED TO INDICATE SERIOUSNESS WITH WHICH US REGARDS PROBLEM, BUT AT SAME TIME, UNFORTUNATELY TENDED TO USURP RATIONALE AROUND WHICH GOJ CONSENSUS-BUILDING WAS TAKING PLACE, SO THAT APPEARANCE OF "FRESH" APPROACH HAS TENDED TO LOSE VERSIMILITUDE.

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4. THERE IS, OF COURSE, AS DEPARTMENT POINTS OUT, NO CHANCE WHATSOEVER OF CUTTING BACK PAY OF PRESENT EMPLOYEES. MOREOVER, IT SHOULD BE POINTED OUT IN REGARD TO SEPARATION PAY THAT FACILE COMPARISONS WITH NPS, WHERE RIFS ARE UNHEARD OF, ARE INAPPROPRIATE VIS-A-VIS USFJ WHOSE LOCAL NATIONAL WORK FORCE HAS BEEN REDUCED FROM 52,000 TO 22,000 SINCE 1967. THIS PARTICULAR BENEFIT HAS NOT BEEN FOCUS OF CONCERN BY GOJ'S NATIONAL PERSONNEL AUTHORITY OF

PUBLIC SECTOR UNIONS. INDEED, AS NOTED IN GAO REPORT, ACTUAL PRACTICE BY GOJ IN RARE CASES OF INVOLUNTARY SEPARATIONS MAY EXCEED LEGAL MINIMUMS UTILIZED FOR GAO COMPARISONS. GIVEN POLITICAL SENSITIVITY OF ANY SUBSTANTIAL RIF ACTION, CHANGES IN BENEFITS IN THIS AREA WOULD BE COUNTERPRODUCTIVE. WE CAN AND SHOULD, HOWEVER, CONTINUE EFFORTS TO HAVE GOJ ABSORB AS MUCH OF THIS LIABILITY AS POSSIBLE. MANSFIELD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, MILITARY PERSONNEL, AMENDMENTS, WAGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO11876
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780270-0751
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978066/aaaaaeqa.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 93583289-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 146689
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2351931
Secure: OPEN
Status: NATIVE
Subject: GAO REPORT RECOMMENDS DOD CHANGE JAPANESE NATIONAL PAY PRACTICES
TAGS: MARR, JA, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/93583289-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014